EXHIBIT 13

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To: Leland Township Planning Commission Members
From: Brad Wierda
Date: February 3, 2026
RE: Staff Report – Apollos Properties LLC

Overview

Apollos Properties LLC ("Applicant") seeks a Special Land Use Permit to use the north building at 110 N. Lake Street in Leland (the "Property") for a "Leelanau county youth club center." The Property is located in the C-1: Village Commercial District. Clubs are a special land use permitted by special use approval in the C-1 District.

The Michigan Zoning Enabling Act ("MZEA") provides that a zoning ordinance which authorizes the consideration and approval of special land uses must specify the regulations and standards which are applicable. MCL 125.3504(1). Article 16 of the Leland Township Zoning Ordinance (the "Zoning Ordinance") sets forth the Standards for Special Land Uses within the Township. Section 16.01 of the Zoning Ordinance sets forth the "general standards applicable to all special land uses." Included among the general standards is a requirement to: "[m]eet the site plan review requirements of Article 6." *ZO. §16.01(A)(4).*

Further, Article 7 of the Zoning Ordinance provides "Procedures for Special Land Uses." With respect to the Application, you "may deny, approve or approve with conditions the application…." *ZO. §7.02(D)(2).* You will make findings of fact and determine whether the Application meets all of the required standards in Article 16 and Article 6 of the Zoning Ordinance. If you determine that the Application is in compliance with the standards, any conditions imposed under the Zoning Ordinance, other applicable ordinances, and state and federal statutes, you **shall approve** the Application. *MCL 125.3504(3).* Your "decision shall be incorporated in a statement of conclusions relative to the special land use under consideration, and shall specify the basis for the decision and any conditions imposed."

Background

110 N. Lake Street consists of two buildings. The north building, which is 2,470 square feet is the subject of this Application. The two buildings are served by public sewer and share a private water well. Applicant is the owner of the Property. Applicant seeks permission for the north building to be used as a "Leelanau county youth club center." Applicant intends to

lease the building to Bluewater Thumb Youth for Christ ("YFC") on a five (5) year lease. YFC is a non-profit corporation.

Applicant states that "[n]o new construction, renovations, or updates are being done to the existing building or its systems." *Site Plan Application, Ex. B.* The use of the Property will be to provide programming for high school age students to help them: "make good choices, build a solid foundation for life, and make a positive impact on their schools and communities." *Parker Memorandum, p. 1.* The Application also identifies serving "11-19-year-olds" as well as an "Adult Prayer Club." *Site Plan Application, Ex. A, p.3.* The Property will not be open to the public but will be exclusively for high school age students, adult supervisors, and their guests. *Id; Parker Memorandum, pp. 1-2.*

Anticipated hours of operation are:

1. Summer:
   Wednesday: 10:00 am – 4:30 pm,
   Thursday: 12:00 pm – 9:00 pm,
   Friday: 12:00 pm – 4:30 pm,
   Saturday: 12:00 pm – 4:30 pm,
   Sunday: 6:00 pm – 9:00 pm.
2. School year:
   Wednesday: 9:00 am – 12:00 pm,
   Friday: 6:30 am – 8:00 am,
   Sunday: 5:00 pm – 8:30 pm.

The proposed development is in the C-1: Village Commercial District. The Zoning Ordinance, Sec. 12.01(A), identifies the intent of this District as follows:

> **Intent:** The Village Commercial District is intended to provide for central business areas where the presence of retail stores and service establishments address the day-to-day retail and service needs of tourists and local residents. This District is intended to provide for a more pedestrian-oriented commercial area than provided for in other commercial districts and promote convenient pedestrian shopping and stability of retail development by encouraging a contiguous retail frontage and by prohibiting automotive related, highway service, and non-retail uses which tend to break up such continuity and the character intended for this District. The Village Commercial District is intended to implement, in part, the Mixed Use Area(s) component of the Leland Township Comprehensive Development Plan.

There are numerous Uses Permitted By Right in the C-1 District including: retail businesses (e.g., stores supplying food, drugs, liquor, furniture, clothing, etc.); personal service establishments (e.g., repair shops, barber and beauty shops, dry cleaners, etc.); office establishments; residential uses when occupying second or third floors; single family dwellings; and restaurants. *ZO, §12.01(B).*

There are also numerous "Uses Permitted By Special Use Approval" including: public facilities (e.g., parking lots, cemeteries, parks, schools, etc.); Automobile and Service Repair Stations; Clubs; Bed and breakfast; Hotels and motels; and Adult related businesses. *ZO. §12.01(C).*

Applicant seeks approval for use of a club. The complete citation under *ZO. §12.01(C)(3)* states as follows:

> 3. Clubs and other establishments which provide food or drink for consumption by persons seated within a building that is not part of a drive-in, and may also provide dancing and entertainment. (Amendment 2009-02).

"Club" is a defined term in the Zoning Ordinance as follows:

> An organization of persons for special purposes or for the promulgation of sports, arts, science, literature, politics, agriculture or similar activities, but not operated for profit and open only to members and not the general public. *ZO. §2.02(A).*

Applicant submitted its Application on October 17, 2025. Upon receipt of the Application from the Zoning Administrator, the Planning Commission reviewed the Application at its next scheduled meeting on November 5, 2025. At that meeting, three representatives of the Applicant, Jim Van Steenhouse, Todd Cramer, and Attorney Robert Parker, made presentations regarding the Application. The Planning Commission asked questions of the Applicant's representatives and further discussion was held. A public hearing was properly noticed for December 3, 2025. Prior to that hearing, the Applicant submitted additional documents and memoranda. The December 3, 2025 meeting was adjourned due to a lack of space to accommodate the public. An additional public hearing was properly noticed and held on January 7, 2026. The Applicant was provided with an opportunity to make a presentation. A question and answer period for Planning Commission members was provided. Public comment was received both in favor and in opposition to the Application. The Applicant's representatives responded to the public comment.

Legal Discussion

A. Is the Proposed Use Permitted by the Zoning Ordinance?

The Zoning Ordinance is a permissive ordinance. "Any land use not specifically permitted is prohibited...." *ZO. §9.05(B).* Accordingly, you must determine whether the proposed use is specifically permitted in the Village Commercial District. Applicant claims that its use is permitted as a "club" pursuant to §12.01(C)(3). As noted above, a "club" is a defined term in the Zoning Ordinance as follows:

> An organization of persons for special purposes or for the promulgation of sports, arts, science, literature, politics, agriculture or similar activities, but not operated for profit and open only to members and not the general public. *ZO. §2.02(A).*

The Zoning Ordinance provides the following rule of construction regarding the use of the word "or":

> Unless the context clearly indicates the contrary, where a regulation involves two or more items, conditions, provisions, or events connected by the conjunction … "or"… the conjunction shall be interpreted as follows:
> …
> 2. "Or" indicates the connected items, conditions, provisions or events may apply singly or in any combination. *ZO. §2.01(H).*

You should determine whether YFC is either: (1) [a]n organization of persons for special purposes or (2) [a]n organization of persons for the promulgation of sports, arts, science, literature, politics, agriculture or similar activities.

Applicant argues that YFC meets the first criteria since it is an organization of persons for the purpose of helping high school age students to: "make good choices, build a solid foundation for life, and make a positive impact on their schools and communities." Applicant adds that the "Club seeks to engage students as followers of Jesus Christ…." The phrase "special purposes" is not a defined term in the Zoning Ordinance but it would seem likely that a common or standard utilization of that phrase could include the purpose articulated by YFC.

The second criteria requires an organization of persons "for the promulgation of sports, arts, science, literature, politics, agriculture or similar activities." Applicant does not specifically state that it promotes any of the directly identified activities. Accordingly, you will decide whether YFC promulgates any "similar activities." The answer as to what are similar activities to the provided list is not immediately apparent. It is worth noting, however, that the listed activities are broad.

If you find that the Applicant meets either criteria, you should continue to the additional requirements of a "club" as set forth in the definition. Is YFC operated for a profit? Applicant indicates that YFC is not operated for a profit and has provided documentation of its non-profit status.

Finally, is YFC open only to members and not to the general public? Applicant indicates that the Property will not be open to the public but will be exclusively for high school age students, adult supervisors, and their guests.

B. Does the Applicant Meet the Standards Set Forth in Article 16 for a Special Land Use Permit?

If you determine that the proposed use is permitted as a club, you must determine whether the Applicant meets all of the required standards in Article 16. Applicant provides proposed Findings and Conclusions on the individual standards in a table in its Exhibit E to the Memorandum which it provided on or about November 25, 2025. Applicant also makes arguments regarding issues in the Memoranda which have been submitted. The Zoning Administrator has prepared draft Findings addressing the individual standards. Accordingly,

while you are required to make a finding as to each standard, this report will only address standards which are believed to be significantly contested. If there are any additional standards that you would like addressed or if you have any additional questions or requests, please let us know.

Section 16.01(A)(1)

"The general principles and objectives of the Comprehensive Development Plan of the Township are proper and relevant consideration by the Planning Commission in reaching its decision."

Applicant's proposed Findings and Conclusions table provides a conclusory assertion that this standard is met. Applicant's Memorandum addresses this issue in some detail and notes the goals of encouraging mixed-uses and maintaining community centers (also set forth in the paragraph immediately below) as well as recommendations from the Comprehensive Development Plan for mixed uses. *Parker Memorandum, p. 3.*

The Zoning Administrator notes that the Comprehensive Development Plan outlines a goal to "encourage mixed land use patterns and character." Notably, the Intent section of the Village Commercial District also provides that it "is intended to implement, in part, the Mixed Use Area(s) component of the Leland Township Comprehensive Development Plan." *ZO, §12.01(A).* The Zoning Administrator also notes that the Comprehensive Development Plan calls for the maintenance of "community centers by supporting the needs of existing and new community institutions in the Villages."

Some opponents of the application have argued that the Village Commercial District should be limited solely to retail and/or commercial uses and should not include further mixed-uses. I have not been provided with any support for that argument from the Comprehensive Development Plan. Rather, as noted by Applicant and the Zoning Administrator, the Comprehensive Development Plan appears to support the opposite.

Looking beyond the Comprehensive Development Plan, the argument that the Village Commercial District should be limited solely to retail and commercial uses also appears to be directly contradicted by the Zoning Ordinance itself. The Village Commercial District identifies uses by right as including single family dwellings. It identifies, as Uses Permitted by Special Use Approval, clubs and public facilities including cemeteries, parks, and schools. Accordingly, the Zoning Ordinance expressly contemplates non-retail and non-commercial uses in the Village Commercial District.

"Special Land Use" is a defined term in the Zoning Ordinance meaning: "Uses and structures which have been generally accepted as reasonably compatible with the primary uses and structures within a zoning district, but could present potential injurious effects upon the primary uses and structures within the zoning district and therefore require special consideration in relation to the welfare of adjacent properties and to the community as a whole. All such proposed uses shall be subject to a public hearing. Refer to Articles [sic] 7: Procedures for Special Land Uses." *ZO, §2.02(D).*

Accordingly, a general argument that the application should be denied because it is not a retail or commercial use appears inconsistent with the Zoning Ordinance. Rather, as you analyze the relevant standards, attention should be paid to "potential injurious effects" upon other uses and structures within the district which would result from the inclusion of a high school club in the district.

Section 16.01(A)(2)

"The proposal is consistent with and in accordance with the general objectives, intent and purposes of this Ordinance."

Section 1.02 of the Zoning Ordinance is titled "Intent and Purpose." It provides:

> It is the purpose of this Zoning Ordinance to promote the public health, safety, comfort, convenience, and general welfare of the inhabitants of Leland Township by encouraging use of lands and natural resources in accordance with their character, adaptability and suitability for particular purposes; to enhance social and economic stability; to prevent excessive concentration of population; to reduce hazards due to flooding; to conserve and stabilize the value of property; to provide adequate open space for light and air and to preserve community character; to prevent fire and facilitate the fighting of fires; to allow for a variety of residential housing types and commercial and industrial land uses; to lessen congestion on the public streets and highways; to facilitate adequate and economical provision of transportation, sewerage and drainage, water supply and distribution, education, recreation and other public services and facilities; to assure adequate provision of the state's citizens for food, fiber, energy and other natural resources; to ensure appropriate locations and relationships for uses of land; and to facilitate the expenditure of funds for adequate public facilities and services by establishing herein standards for physical development in accordance with the goals, objectives and policies contained in the General Development Plan for the Township; and to provide for the administration and enforcement of such standards. *ZO, §1.02.*

While this passage is lengthy, the use of land is encouraged when it is consistent with the health, safety, and welfare of the Township's residents. Since changes are not being made to the exterior of the building or use of public services, many of the issues identified are largely inapplicable.

The intent of the Village Commercial District has been quoted above and is set forth at Section 12.01(A).

The Zoning Administrator states: "Clubs are specifically permitted in C-1. By inclusion there has been a legislative determination that clubs are 'generally accepted as reasonably compatible' with primary uses and structures."

A potentially applicable argument by opponents of the application would again be based on the use of the property for a non-retail, non-commercial use. That argument is addressed in the preceding section.

Section 16.01(A)(3)

"The proposal is designed, constructed, operated and maintained so as to be consistent, compatible and appropriate in appearance with the existing adjacent land uses, existing or intended character of the general vicinity and that such a use will not change the essential character of the area in which it is proposed. In determining whether this requirement has been met, consideration shall be given to...."

The section goes on to detail specific items for consideration, including, but not limited to, potential effects on such things as: public services, traffic, and the natural environment.

As noted above, no improvements are presently intended for the exterior of the building. Accordingly, any change in appearance will be minimal. The question, therefore, is whether the change in how the property is being used/operated will have the significant, detrimental effects with which the Zoning Ordinance is concerned.

The Zoning Administrator addresses each specific item and then addresses the general compatibility of the project as follows:

> Mixed use is contemplated in the C-1 district. Uses in the C-1 district are not limited to retail and commercial businesses. That better use for the property might be retail or commercial is not a basis for denial of the application. Currently, the district is occupied by retail, professional offices, banks, grocery stores, public lodging, food service establishments, private residences, and non-commercial administrative buildings. The contention that a faith-based youth club is not compatible with these uses is speculative and without foundation. Clubs are specifically permitted in the C-1 district. By inclusion there has been a legislative determination that clubs are "generally accepted as reasonably compatible" with primary uses and structures. The Township is not permitted to exclude a club from the district because of its religious focus. The PC recently approved a site plan for a non-profit administrative building in the district. The applicant has committed to waive any objection to the location of a licensed building within 500 feet of the property.

Article 16, Sections 16.02 through 16.31 include standards which are applicable to specific special land uses as designated. *ZO, Article 16 (Introductory Paragraph).* Almost all of those specific special land uses are obviously not applicable. There has been public comment from at least one person that the requirements of Section 16.11 – "Churches and Religious Institutions" should be applied.

The Zoning Ordinance provides the following rule of construction regarding the use of the word "and":

> Unless the context clearly indicates the contrary, where a regulation involves two or more items, conditions, provisions, or events connected by the conjunction "and,"… the conjunction shall be interpreted as follows:
>
> 1. "And" indicates that all the connected items, conditions, provisions, or events shall apply. *ZO. §2.01(H).*

Accordingly, Section 16.11 should only be applied if the proposed use is both a "Church" and a "Religious Institution." Church is a defined term in the Zoning Ordinance as follows:

> **Church:** A building wherein persons regularly assemble for religious worship and which is maintained and controlled by a religious body organized to sustain public worship, together with all accessory buildings and uses customarily associated with such primary purpose. *ZO. §2.02.*

The uses proposed by the Applicant and YFC do not appear to meet the definition of church as "religious worship" is not even mentioned and there is no evidence suggesting that YFC is "organized to sustain public worship." Section 16.11 does not appear to be applicable to the proposed use. Additionally, as set forth below, subjecting a "religious institution" to requirements to which a secular institution is not subjected, raises significant constitutional and federal law issues.

C. Does the Applicant Meet the Requirements Set Forth in Article 6 for Site Plan Review?

Article 6 of the Zoning Ordinance provides the "Procedures for Site Plan & Plot Plan Review." As noted above, Applicant's proposal requires Site Plan Review. *ZO. §6.02(A)(3).* There are procedures which must be satisfied under Sections 6.03, 6.04, and 6.05. The Zoning Administrator has prepared draft Findings addressing the individual requirements. You are required to make a finding as to each requirement. This memorandum, however, will only address the legal issues related to Section 6.03 since the determination of which standards can be waived and what must be found to support waiver is somewhat convoluted and I have not been provided with issues which appear to be significantly contested related to the other requirements. If there are any additional requirements that you would like addressed or if you have any additional questions or requests, please let us know.

Section 6.03(B) provides the data required for Site Plans. There are 20 separate requirements. Some of the 20 requirements (14 of them) may be waived by the Planning Commission. *ZO. §6.03(B)(20).*

Applicant seeks waiver of the waivable requirements in Section 6.03(B). *Site Plan Application, Exhibit B.* In order to waive requirements, the Planning Commission must document that at least one of the following requirements is present and explain the rationale for its conclusion:

1. The requirement is not applicable to the proposed development.
2. The data will serve no useful purpose and/or no good public purpose will be achieved by requiring strict conformance with the listed requirement.
3. Circumstances have not significantly changed on the property since the last time detailed information on the site was submitted.
4. Another reasonable circumstance or condition exists. *ZO. §6.03(B)(20).*

Applicant claims that requirements 1, 2, and 4 are applicable. *Site Plan Application. Exhibit B.* Applicant notes that "[n]o new construction, renovations, or updates are being done to the existing building or its systems." The Zoning Administrator's proposed Findings of Fact indicate that he is in agreement with waiver of the waivable requirements since the scope of the proposed changes are minimal or nonexistent.

The requirements which cannot be waived, or can only be waived in part, are: 1, 5, 6, 16, 17, and 19, addressed as follows:

6.03(B)(1): Survey including all requirements included with Site Plan Application.
6.03(B)(5) (can be waived with the exception of the Basic Project Description): Project Description included with Site Plan Application. Exhibit A.
6.03(B)(6): Survey shows public right-of-way and Site Plan Application indicates no deed restrictions.
6.03(B)(16): Property already ready to accommodate new use with no projects to complete.
6.03(B)(17): Not applicable. No additional permits required per Zoning Administrator.
6.03(B)(19): Additional documentation provided including lease showing non-profit status at Planning Commission request per Zoning Administrator.

As set forth above, if you conclude that the Applicant has met all of the applicable standards and requirements, along with state and federal statutes, you **shall approve** the Application. MCL 125.3504(3). The Zoning Ordinance expressly provides that: "[t]he term 'shall' is always mandatory and not discretionary...." *ZO. §2.01(E).*

D. Constitutional and Federal Law Implications.

The decision on this Application also has constitutional and federal law implications. Any appeal of this decision would likely eventually end up before the local circuit court. The Zoning Ordinance sets forth the applicable standard of review as follows:

"The Circuit Court shall review the record and decision of the Zoning Board of Appeals to insure that the decision:

1. Complies with the constitution and laws of the State.
2. Is based upon proper procedure.
3. Is supported by competent, material, and substantial evidence on the record.
4. Represents the reasonable exercise of discretion granted by the Board of Appeals. *ZO, §4.08(B)*.

The language in the Zoning Ordinance mirrors the language of the MZEA which identifies the same standard of review set forth in the Zoning Ordinance. MCL 125.3606(1). The Circuit Court may "affirm, reverse, or modify the decision" and make any other orders "as justice requires." MCL 125.3606(4).

Additionally, the decision could potentially also be attacked through a direct action against the Township. Accordingly, it is appropriate for you to be aware of constitutional and federal law considerations in making your decision.

The First Amendment, applicable to the States through the Fourteenth Amendment, prohibits the enactment of laws "abridging the freedom of speech." U.S. Const., Amdt. 1. Under that Clause, a government, including a municipal government vested with state authority, "has no power to restrict expression because of its message, its ideas, its subject matter, or its content." *Police Dept. of Chicago v. Mosley*, 408 U.S. 92, 95 (1972).

Similarly, the Free Exercise Clause of the First Amendment provides that "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof...." *Cantwell v. Conn.*, 310 U.S. 296, 303 (1940).

Finally, while "freedom of association is not explicitly enumerated in the First Amendment, the United States Supreme Court has found it to be a right included within the 'penumbra' of the First Amendment." *McDonald v. Grand Traverse Co. Election Comm.*, 255 Mich. App. 674, 681 (2003).

Zoning power, while broad, "must be exercised within constitutional limits." *Schad v. Borough of Mount Ephraim*, 452 U.S. 61, 68 (1981) [citation omitted]. "[W]hen a zoning law infringes upon a protected liberty, it must be narrowly drawn and must further a sufficiently substantial government interest." *Id.* Content-based laws – those that target speech based on its communicative content – are presumptively unconstitutional and may be justified only if the government proves that they are narrowly tailored to serve compelling state interests. *R.A.V. v. St. Paul*, 505 U.S. 377, 395 (1992).

Regulation of the Applicant's proposed use of the property affects First Amendment rights to speech, assembly, and the free exercise of religion. Accordingly, review of such a decision may trigger strict scrutiny which would require the Township to persuade the Court that its actions: (1) serve a compelling government interest, and (2) are narrowly tailored to achieve the compelling government interest by the least restrictive means available. This is a very demanding standard which is very challenging to meet.

Numerous public comment received to date would clearly violate the First Amendment if relied upon. By way of example, comments in the meeting minutes include:

> "Does religious assembly meet the definition of the club?"
>
> "His concern [is] that during the most influential time in their life, to have an organization set up to teach children about their vision of God and religion, it's concerning to him and a bit frightening."
>
> "The location and the character of the community are at stake. She says that you don't see this type of activity (teen ministry) in Suttons Bay or Glen Arbor."
>
> "She is concerned that they are programming and is against the application."
>
> "He began to discuss a GA Sun quote from Kia and Michah [sic] that they want to incorporate worship at the location."
>
> "She doesn't believe a religious club belongs in the C1 district."

In addition to the Constitutional issues, there are issues related to the potential application of The Religious Land Use and Institutionalized Persons Act of 2000 (the "RLUIPA"). The RLUIPA is a civil rights law that protects individuals and religious assemblies and institutions from discriminatory and unduly burdensome land use regulations. It also prohibits the implementation of any land use regulation that imposes a "substantial burden" on the religious exercise of a person or religious assembly or institution except where justified by a "compelling governmental interest" that the government pursues in the least restrictive way possible. 42 U.S.C. §2000cc(a). RLUIPA also provides that religious assemblies and institutions must be treated at least as well as nonreligious assemblies and institutions. 42 U.S.C. §2000cc(b)(1).

A "compelling governmental interest" is a very high standard which has been interpreted by at least one court to mean an interest of the "highest order." An interest of the highest order typically involves "some substantial threat to public safety, peace, or order."

If you are interested in additional legal analysis regarding the constitutional and federal law implications, please let us know. The brief analysis included here is intended to make you aware of those implications generally and to clarify any confusion that a zoning decision which affects fundamental First Amendment rights can be made without First Amendment scrutiny.